

2004-2005 CAPITAL BUDGET

**2005-2009 CAPITAL
IMPROVEMENT PROGRAM**

**COMMUNITY
PROFILE**

CITY OF SAN JOSE

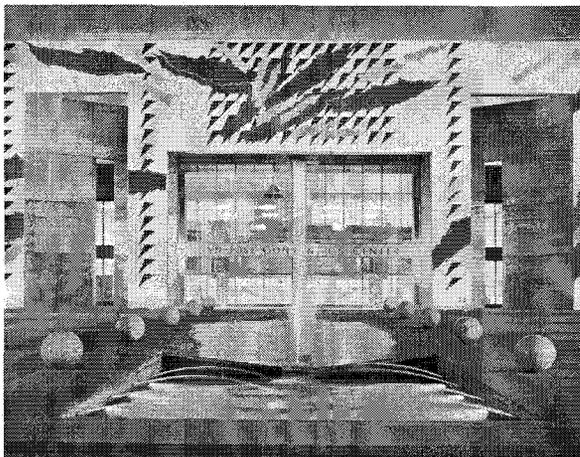
2004-2005 PROPOSED CAPITAL BUDGET

SAN JOSE AT A GLANCE

Strategic Location

Situated between the Diablo and Santa Cruz mountain ranges, the City of San José encompasses 177 square miles at the southern tip of San Francisco Bay. San José's central location between San Francisco to the north and Monterey/Carmel to the south makes the Capital of Silicon Valley a gateway to adventures throughout California.

With a population of 925,000, San José is the 11th largest city in the nation, larger than San Francisco, Boston, Washington D.C., Seattle, Miami, Denver, and New Orleans. More than 1.8 million people reside in Santa Clara County, of which San José is the county seat.



History

In November 1777, El Pueblo San José de Guadalupe became the first civil settlement in California. The settlement was occupied by the Ohlone Indians along the Guadalupe River, and the 1778 census revealed 68 different ethnicities living in San José. At that time, San José was a farming community cultivating a number of different crops, which served the military communities in San Francisco and Monterey. In 1849, San José became the first capital of California, but this honor remained for only two years due to the lack of hotel capacity and flooding in downtown. Furthering San José's difficulties, the City was plagued with floods, earthquakes, and fires in the early 1900s. However, over the next 80 years, San José experienced one of the most significant economic changes in California History, transforming from an agricultural community to what is known today as the "Capital of the Silicon Valley".

Quality of Life

San José's quality of life is unsurpassed. With 300 days of sunshine a year and an annual average temperature of 70 degrees, those living and working in San José can enjoy the City's many attractions, wineries, cultural and performing arts, sports and recreation opportunities and year-round festivals and celebrations. Seventy-five percent of residents rated the quality of life in the City as either "excellent" or "good" in the City's most recent Community Survey. San José continues to be rated one of the safest large cities in America. As a place to live and do business, San José has received accolades from Business Week, Money Magazine, and other national media.

CITY OF SAN JOSE

2004-2005 PROPOSED CAPITAL BUDGET

SAN JOSE AT A GLANCE (CONT'D.)

Diversity

Diversity is a hallmark of San José. San José is a City proud of the cultural and ethnic diversity of its population and workforce, and the rich cultural identity of its many neighborhoods.

City residents speak more than 46 different languages. Japantown is a popular tourist stop and a cornerstone neighborhood full of tradition. Biblioteca Latinoamericana, one of the City's innovative library branches, boasts one of the largest collections of Spanish language materials in northern California. The City sponsors many cultural festivals and numerous ethnic chambers of commerce are active in the community. According to the 2000 demographics, residents of the City include 36% White, 30.2% Hispanic, 26.9% Asian/Pacific Islander, 3.3% African American, and 3.6% other.



Education

Thirty-six public school districts and an estimated 350 private and parochial schools provide families with a range of educational choices. Innovative programs in local school districts include a nationally acclaimed performing arts magnet, and concentrations in aerospace, international studies, math and science, radio and television and more.

Higher education facilities in and around San José are superior. San José State University is California's oldest institution of higher public education, founded in 1857. It offers strong programs in business, information technology, journalism, mass communications and engineering, with SJSU turning out twice as many engineers as any nearby university. In addition, San Jose State University and the City of San José have joined together to provide the Martin Luther King Library, a first class public library for students and residents.

Area colleges include Santa Clara University, the State's oldest institution of higher private education, founded in 1851. Other excellent nearby universities include Stanford University, University of California at San Francisco, University of California at Berkeley, and University of California at Santa Cruz.

Seven community colleges serve the County of Santa Clara, offering a variety of two-year programs and work-ready certificate programs. Community-based programs like Metropolitan Adult Education and the Center for Employment Training fill the need for basic skills and job training. Thirty-four percent of San José Metro Area's workforce has a college degree, the second highest percentage in the nation.

Economic Diversity

Perhaps more important than rankings and statistics, the term "Capital of Silicon Valley" describes not only a City and geographic region, but a culture, an entrepreneurial energy, a spirit of innovation, and a symbol of opportunity. This past year that entrepreneurial spirit led to the introduction of the Silicon Valley Biotech Incubator. While San José and Silicon Valley are largely associated with the

CITY OF SAN JOSE

2004-2005 PROPOSED CAPITAL BUDGET

SAN JOSE AT A GLANCE (CONT'D.)

Economic Diversity (Cont'd.)

technology industry, the City's business profile is diverse and healthy. Commercial, retail, industrial, professional and service businesses all thrive in San José.

International

On the international front, San José has attracted significant foreign investments, particularly from information technology companies. The San José Metropolitan area represents one-quarter of California's total exports, yet comprises only 3% of the State's population. In 2002-2003, San José ranked second among United States cities in exports with nearly \$30 billion in foreign shipments.

The area is rich with Research and Development resources and San José area companies typically receive about one-third of the nation's venture capital investments.

Tourism

Residents and visitors enjoy the City's many attractions year-round: museums, parks, wineries, cultural and performing arts, sports, recreation, multicultural festivals, theme parks, shopping and, of course, great hotels and restaurants. Attractions include the Tech Museum of Innovation, San Jose Museum of Art, Raging Waters, Happy Hollow Park and Zoo, the Japanese Friendship Garden, Alum Rock Park, the intriguing Winchester Mystery House, and the largest children's museum for youth on the West Coast.

Sports

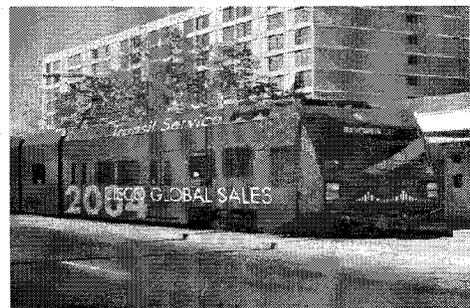
Several professional sports teams call San José home: the Sharks, NHL; the SaberCats, Professional Arena Football; the Giants, Minor

League Baseball; the Earthquakes, Major League Soccer; and the Women's United Soccer Association is on its way to re-start in 2005. There is also a state-of-the-art community ice center, golf courses, and parklands, including a beautiful three-mile riverwalk spanning from downtown to the airport.

Transportation

San José/Silicon Valley has:

- The Norman Y. Mineta San José International Airport is located within minutes of downtown and serves over 10.7 million passengers annually, with 15 major passenger airlines operating nonstop service to 33 U.S. cities and international destinations.
- A 28-mile Light Rail line, with 33 stops from south San José to Mountain View, with 7.4 million passengers annually.
- A 7.5-mile Light Rail extension from north San José to Mountain View links residential areas with major high-tech employers such as Cisco Systems, Rolm Siemens, Lockheed-Martin, Netscape, and Hewlett-Packard. This summer, another Light Rail expansion is expected, Tasman East and Capitol Light Rail.



- A fleet of 509 buses serving over 47 million annual riders with 72 routes and over 4,600 stops.

CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET

SAN JOSE AT A GLANCE (CONT'D.)

Transportation (Cont'd.)

- CalTrain, a commuter rail service, with 34 stations. It runs from Gilroy through San José and north through the Peninsula to San Francisco, serving about 3.9 million passengers annually.
- The innovative Eco Pass program by which employers can purchase annual photo ID public transit passes for employees at a significant discount.

CITY OF SAN JOSE 2004-2005 PROPOSED CAPITAL BUDGET

SAN JOSE AT A GLANCE (CONT'D.)

BASIC CITY FACTS

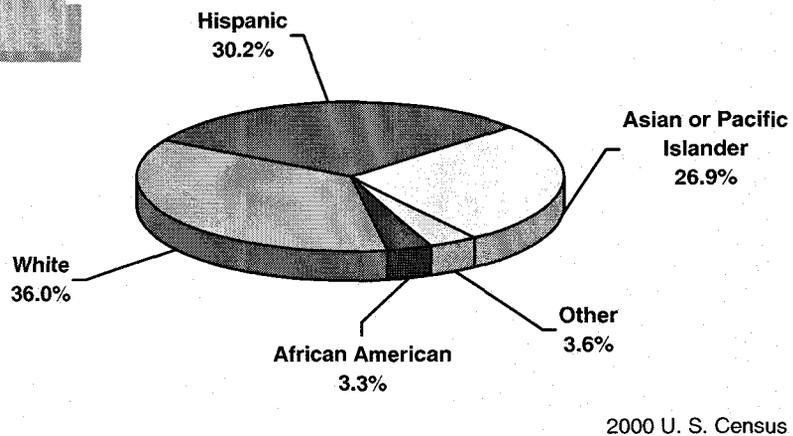
FOUNDED: 1777; California's first civilian settlement

INCORPORATED: March 27, 1850, California's first incorporated City, and site of the first State capital.

GENERAL DATA

Population (January 2003)	925,000
Registered Voters	383,545
Median Household Income (HUD family of four as of 2002)	\$105,500

Demographics



Miles of Streets	2,299
Miles of Alleys	2
Area of City (square miles, as of 2002)	177
Land Use:	
Single-Family	39.8%
Two-Family	1.8%
Multi-Family	4.9%
Mobile Home	0.7%
Commercial	3.5%
Industrial	14.2%
Schools	3.3%
Parks	9.7%
Right-of-way	15.5%
Vacant	6.6%



**CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET**

SAN JOSE AT A GLANCE (CONT'D.)

AIRPORT

Size	1,000	Approx. Acres
Terminals	2	
Runways	3	
Hours of Operation	24	
Operations Per Year:		
Commercial Airline Operations	113,972	
Cargo Commercial Airlines Operations	4,636	
Taxi/Commuter Commercial	19,032	
General Aviation	62,510	
Military Flights	125	
Landings Per Day:		
Commercial	189	
General Aviation	86	
Number of Passengers Per Year	10.7	Million
Business	48%	
Non-Business	52%	
Public Parking Spaces:		
Short-Term Parking	2,888	
Long-Term Parking	4,000	
Services:		
Passenger Airlines	15	
All-Cargo Airlines	4	
General Aviation Based Aircraft*	119	



*Does not include aircraft used by fixed base operators

ENVIRONMENT AND UTILITIES

Miles of Municipal Sewer Mains	2,181
Number of Water Pollution Control Plants ¹	1
Number of Square Miles the Sanitary Sewer System Spans	177
Gallons of Wastewater the Plant has the Capacity to Treat Per Day	167 Million
Gallons of Wastewater Treated Per Day	118 Million
Number of Municipal Water Systems ²	1
Meters in Municipal Service Water Area	26,025
Miles of Water Mains	325
Gallons of Municipal Water Consumption Per Year	7 Billion

¹ Serving the San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno areas.

² Serving the Evergreen, North San José, Alviso, Edenvale, and Coyote Valley areas.

**CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET**

SAN JOSE AT A GLANCE (CONT'D.)

ENVIRONMENT AND UTILITIES (CONT'D.)

2002 Recycled Materials:

Tons of Newspaper	9,283
Tons of Mixed Paper	44,860
Tons of Glass	9,240
Tons of Cardboard	6,232
Tons of Yard Trimmings	135,733
Gallons of Used Motor Oil	194,645



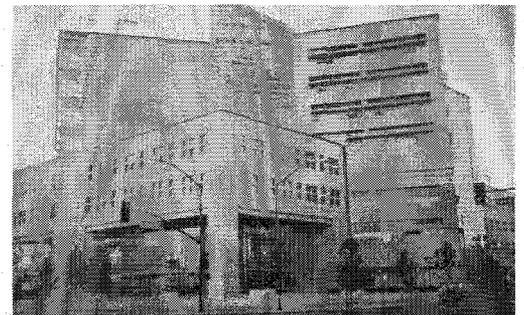
FIRE

Fire Stations	31
Companies	43
Pumpers:	
Front Line	31
Ready Reserve	7
Aerial Ladder and Elevated Platform Trucks:	
Front Line	8
Ready Reserve	3
Brush Rigs:	
Front Line	6
Ready Reserve	6
Crash Rescue Vehicles	3
Auxiliary Vehicles	20
Water Tenders	3
Fires Per Year	2,200
Hazardous Materials Incidents Per Year	500
Fire Safety Code Inspections Per Year	16,000
Emergency Medical Calls Per Year	40,000



LIBRARIES

Number of Outlets:	
Main Library	1
Branches	17
Bookmobile	2
Items Checked Out (Circulation)	13,491,212
Books	1,688,213
Audio Visual Materials	306,566
Reference Questions	536,073



**CITY OF SAN JOSE
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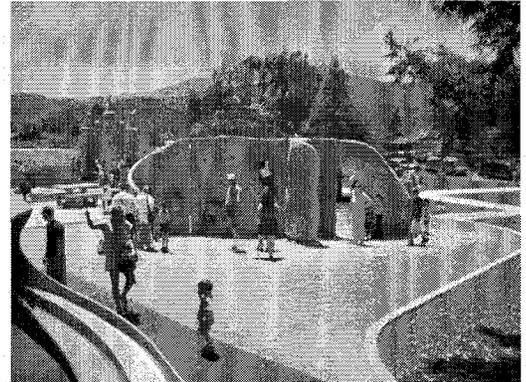
SAN JOSE AT A GLANCE (CONT'D.)

PARKING

Parking Meters	2,120
Parking Lots (2,084 total spaces)	17
Parking Garages (4,780 total spaces)	5

PARKS, RECREATION AND NEIGHBORHOOD SERVICES

Park Sites	170
Park Acreage	3,512
Playgrounds- Schools	515
Playgrounds- Parks	181
Community Centers	19
Senior Centers	5
Swimming Pools (not including schools)	6
Tennis Courts- Schools	185
Tennis Courts- Parks	95
Public Golf Courses	3
Sports Center	4
Youth Center	10
Number of Strong Neighborhoods Initiative Areas	19
Total Annual Attendance in Recreation Programs	4,226,800



POLICE

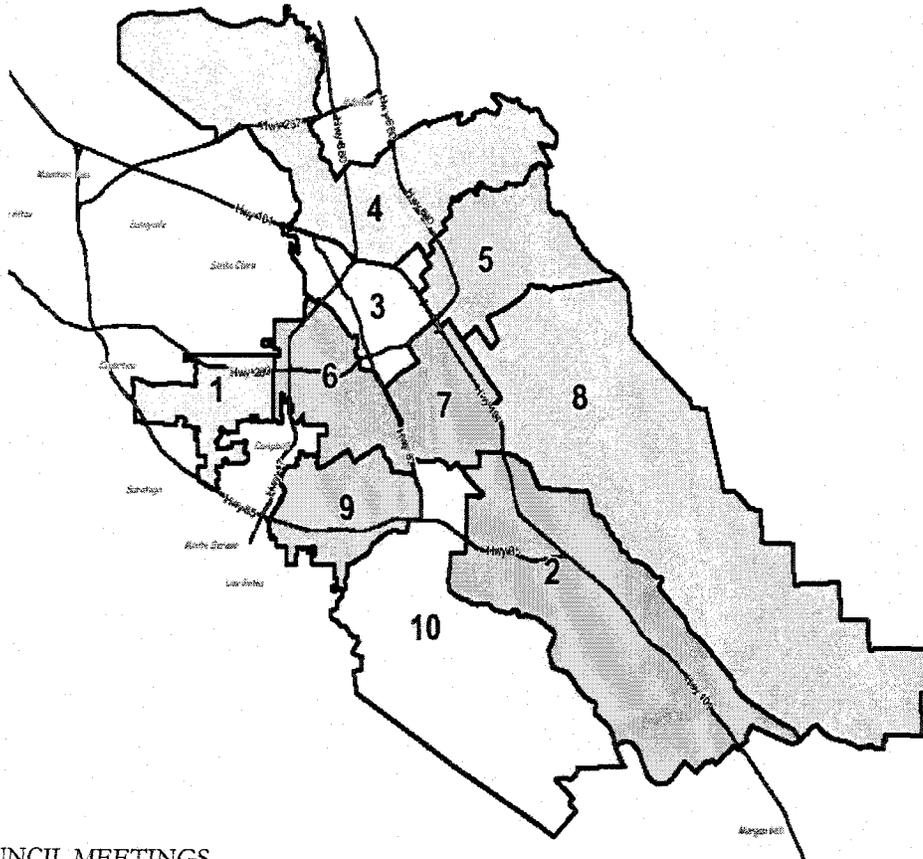
Police Stations	1
Police Vehicles	361
Motorcycles	51
Horses	15
Dogs	18
Aircraft:	
Helicopter	1
Fixed Wing	1
911 Calls Per Year	202,891
311 Calls Per Year	301,144
Cases Investigated Per Year	33,202



**CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET**

ROSTER OF ELECTED OFFICIALS

CITY COUNCIL	DISTRICT	TELEPHONE	E-MAIL
Ron Gonzales	Mayor	277-4237	mayoremail@sanjoseca.gov
Linda J. LeZotte	1	277-5438	linda.lezotte@sanjoseca.gov
Forrest Williams	2	277-4282	forrest.williams@sanjoseca.gov
Cindy Chavez	3	277-5231	district3@sanjoseca.gov
Chuck Reed	4	277-5320	district4@sanjoseca.gov
Nora Campos	5	277-5157	district5@sanjoseca.gov
Ken Yeager	6	277-5166	district6@sanjoseca.gov
Terry O. Gregory	7	277-5226	district7@sanjoseca.gov
David D. Cortese	8	277-5242	dave.cortese@sanjoseca.gov
Judy Chirco	9	277-5275	judy.chirco@sanjoseca.gov
Pat Dando	10	277-5251	pat.dando@sanjoseca.gov



COUNCIL MEETINGS

Council meetings are scheduled every Tuesday at 1:30 p.m. in the Council Chambers located at 801 North First Street.

- Evening meetings at 7:00 p.m. in addition to the afternoon meeting on the 1st and 3rd Tuesdays.
- Closed sessions every Tuesday at 9:30 a.m. in the Mayor's conference room.
- No Meetings are held in July when the Council is in recess.

CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS

Following is a list of significant State and local legislation.

2000s Initiatives

Measure A, the Airport Security and Traffic Relief Act, authorized the City to implement infrastructure improvements at the Airport to meet federally mandated security requirements, improve passenger facilities, and add nine new gates once the Airport street system is within three years of completion and identified funding becomes available for the implementation of the Airport People Mover transit connection. Measure A was passed by the voters in 2003.

Measure O authorized the issuance of a \$159 million general obligation bond (Neighborhood Security Act Bond Measure) to improve San José's fire, police and paramedic response times by adding and improving fire stations and police stations, training facilities, and creating state of the art 911 communications facilities. Measure O was passed by the voters in 2001.

Measure K approved an update to San José's General Plan to modify greenline/urban boundaries. Measure K was passed by the voters in 2000.

Measure O authorized the issuance of \$212 million in bonds over ten years for the establishment of six new and fourteen expanded branch libraries in San José. Measure O was passed by the voters in 2000.

Measure P authorized the issuance of \$228 million in general obligation bonds for the establishment of new and improved existing public parks in San José. Measure P was passed by the voters in 2000.

1990s Initiatives

Proposition 218 can be considered the fourth component of Proposition 13 in that it extended the two-thirds majority vote requirement for any new user fees or new taxes to be levied at the local level. Assessments, fees, and charges must be submitted to property owners for approval or rejection, after notice and public hearing. Proposition 218 was passed by the voters in 1996.

Proposition I authorized the construction of a new City Hall, located in downtown San José. Proposition I was passed by the voters in 1996.

Proposition 172 enacted a half-cent sales tax increase. Monies derived from this tax must be utilized solely for public safety services. Revenue is distributed to cities and counties for purposes such as police, sheriffs, fire, district attorneys and corrections. Proposition 172 was passed by the voters in 1993.

Proposition I established term limits for the City. City Council members and the Mayor can only serve for two successive four-year terms in office. Proposition I was passed by the voters in 1990.

Proposition 111 enacted a statewide traffic congestion relief program and changed the procedures for calculating the Gann Limit by updating the spending limit on state and local government to better reflect the needs of a growing California population. It provided new revenues to be used to reduce traffic congestion by building state highways, local streets and roads, and public mass transit facilities. Proposition 111 was passed by the voters in June of 1990.

CITY OF SAN JOSE
2004-2005 PROPOSED CAPITAL BUDGET

STATE AND LOCAL LEGISLATIVE HIGHLIGHTS (CONT'D.)

1990s Initiatives (Cont'd.)

Proposition 8 allowed a property owner to file an assessment appeal when the market value of the property is less than the current assessed value. If the appeal is successful, the assessed valuation is lowered to reflect current market conditions. Proposition 8 also provided that the value of reassessed properties may be increased to previous levels when market values increase. Proposition 8 was passed by the voters in 1990.

1980s Initiatives

Proposition C authorized the City to use public funds to build low-rent housing. Proposition C was passed by the voters in 1988.

Proposition H authorized the City to build a sports arena, currently known as the HP Pavilion at San José. Proposition H was passed by the voters in 1988.

1970s Initiatives

Proposition 13 placed a substantial limitation on the ability of local governments to collect sufficient property taxes commensurate with the historical role this revenue source has played in funding both municipal operations and new public facilities. Proposition 13 specified that an assessed value may increase at the rate of the Consumer Price Index, not to

exceed 2 percent per year based on the 1979 value, unless the property is improved or sold to establish new market value. Proposition 13 was passed by the voters in 1979.

Proposition 4, otherwise known as the "Gann Limit," stipulated that the City must compute an annual appropriations limit which places a ceiling on the total amount of tax revenues the City can appropriate annually. The limit is adjusted each year using the following criteria: (1) the percentage change in California Per Capita Income or the change in the City's Assessed Valuation due to new nonresidential construction, whichever is greater and (2) the percentage change in the City-wide population, whichever is greater. Proposition 4 was passed by the voters in 1979.

1890 - 1970 Initiatives

1965 - Passed by the voters in 1965, the City Charter reaffirms the Council-Manager form of government in San José. The City consists of 10 council members elected by district and a Mayor elected at large.

1897 - The City Charter was adopted in 1897. The Charter generally establishes the organization and structure of City government. The Charter also empowers the City Council to make and enforce all ordinances and regulations with respect to municipal affairs subject only to the limitations specified in the Charter.